

Statement by:



Mayor Daniel C. Canan
City of Muncie, Indiana

Testimony on
White House Initiative on Global Climate Change
for the

United States House of Representatives

Committee on: **Government Reform and Oversight**
Subcommittee: **National Economic Growth, Natural Resources, and Regulatory Affairs**

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2 154 Rayburn House Office Building
Washington, D.C. 205 15

Mr. Chairman, thank you for allowing me to appear before you and your subcommittee today on behalf of the City of Muncie, Indiana. I am honored that you are allowing me to share my perspective on the Kyoto Protocol and how it will effect the Muncie community.

As the Mayor of Muncie, Indiana I am representing the 71,170 people of my community. We are not a large City nor are we a well-known City, but our history is vast and our present and future is of concern to me, that is why I am here before you today. In the last year and a half our City has seen the elimination of 1600 coveted jobs. We saw 800 of these individuals have their manufacturing jobs taken away and transferred to Mexico, a country that has relaxed to non-existent labor and environmental regulations. It is difficult for our City and the citizens of Muncie to compete with this employment advantage that countries such as Mexico have. I can only hope that we keep the remaining loyal employers from heading to Mexico or other developing countries with cheaper labor and less stringent environmental regulations. We must not give employers additional incentives to leave.

In 1997 and 1998 we saw blow after blow to one of the main sources of employment in Muncie - manufacturing work. Therefore, you can understand why retaining the recent condensed job market in Muncie is the number one thing on the minds of those in my community. And that is why I am here today to talk about the Kyoto Protocol.

As a Mayor, husband, father and community leader I am an advocate for the protection of our environment. Environmental issues are a sincere concern of mine. Global warming is a threat to every person in every community in every part of the world. I genuinely believe in legislation that would provide a healthier and environmentally safe future for my children. But I believe that the

Kyoto Protocol would do more harm than good for the future of our Country, it would be devastating to the crumbling manufacturing industry and an injustice to the American people if the White House forces the implementation of this treaty before ratification.

The Clinton Administration has ardently tried to pressure the states into agreeing to the terms of the treaty, without any regard to cities such as Muncie who would bear the backlash from this initiative. We have been shut out of the process yet we will indefinitely suffer the consequences.

I am disturbed by the unilateral and destructive approach set forth in the White House initiative. The Kyoto Protocol, a substantial underpinning to the White House Initiative is at best unfair. While it would legally bind its signatories to future reduction in greenhouse gases to 7% less than their 1990 emission levels, it would not require any reductions in 134 of the World's 168 countries, including China, India, Mexico, and the former Soviet Union countries. But it is in these developing nations where greenhouse gas emission increases have been the most dramatic. There is no credible scientific or other factual bases on which to conclude or even infer that this Protocol will reduce emissions in the World as a whole - our real goal!

Past experience has shown us that the costs for reducing greenhouse gases in my home town as elsewhere in the United States, are going to be multiples of the costs for reducing greenhouse gases in developing countries such as China or Mexico where pollution controls are relatively nonexistent. A pound of greenhouse gas is a pound of greenhouse gas whether it's in China or Mexico or the United States. A well thought out initiative would be moving toward developing and funding pollution controls in the developing nations until those controls have obtained a parity with the controls already in place in the more developed countries. I believe it is proper for the United States to be the leader in environmental regulations. but if developing nations are not required to follow

our lead, what are the positive results from the Kyoto Protocol going to be? Quite frankly, I think it is the economic interest of the United States to be exporting pollution control technology to developing countries such as China rather than excusing them from cleaning up their air quality.

In Muncie, as with the rest of the United States, we have already seen the effects of employers moving to country's with less regulation - can you imagine what would happen to the remaining companies if our emission levels were mandated to be severely reduced, while developing countries had free reign?

The Kyoto Protocol would impose strict emission regulations on the Developed Countries yet the environmental benefits would be overwhelmingly inverted by Developing Countries flimsy to null environmental regulations, this would be an injustice to the American people.

In research done by the highly respected non-partisan Wharton Econometrics Forecasting Associates (WEFA) the Kyoto treaty, if ratified, could result in a nationwide increase in gasoline by 50 cents-per-gallon, and in Indiana the residential electric rates could increase by 55%, the home heating oil rates by 58%, and the natural gas rates by 56%. Consequently, consumers in Indiana would be adversely effected by this sharp increase in rates and as predicted by WEFA housing costs would rise by 5%, a 9.5% increase in weekly grocery bills, and a 13% hike in health care costs. And ultimately, this could mean the loss of almost 80,000 jobs and a loss of real income per capita from the baseline by \$380. My question is simple - why would we do that to ourselves?

If we pass this legislation and reduce our emissions, how can we assume developing Countries, whose high emissions would more than cancel out our reduction steps, will ever agree to reduced emission levels? We cannot gamble our jobs here in the United States for "hopes" that developing

countries will follow our lead. Unless we demand an equal playing field, we have everything to lose and the developing countries have everything to gain.

In closing, my only hopes are that I have conveyed to you my sincere environmental interest, I do believe global warming is a very serious problem that needs to be dealt with promptly. But promptly does not have to mean recklessly nor does it have to mean destructive. I ask that you only accept a fair agreement, we need a partnership that would slow global warming AND decelerate our job migration.

I strongly support an initiative that deals with environmental problems because the results of our inactivity could be catastrophic. But accepting a severely flawed and unbalanced treaty, whether ratified or imposed, such as the White House Initiative on Global Climate Change is not the answer. We need a progressive solution.

Thank you very much for your time and consideration.